Chapter 12

The European Union, the Eastern Neighbourhood and Russia: Competing Regionalisms

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Regionalism matters! This is at least the conclusion that could be drawn from the heated discussions and tug-of-war between the EU, Russia and various countries in Eastern Europe and the Southern Caucasus in the wake of the Vilnius summit of the EU's Eastern Partnership in late 2013. The EU put pressure on the various countries to enter into closer institutional and economic links with the EU and not with Russia. It also intensified its diplomatic efforts to convince a key country like Ukraine to fulfil the EU's criteria for a further upgrade of bilateral relations, needed to sign an Association Agreement with the EU. Vice-versa, Russia explicitly warned countries like Georgia, Moldova and Ukraine that it would be a mistake to seek closer ties with the EU and it threatened with potential counter-reactions against countries that would opt for the EU. Moscow also tried to convince the neighbouring countries to instead join the regional projects which Russia had launched: the Customs Union and Common Economic Space of Russia, Belarus and Kazakhstan, as part of Russia's wider ambition to establish a Eurasian (Economic) Union to be joined by other countries in the post-Soviet space. Interestingly, both the EU and Russia consider the regional projects they promote as incompatible with each other, economically as well as politically.

In this chapter we first analyse the EU's promotion of regionalism in the Eastern Neighbourhood, particularly the European Neighbourhood Policy (ENP) and the Eastern Partnership (EaP). This is followed by an assessment of the failure of the EU and Russia to develop a constructive dialogue as a prerequisite for developing a pan-European regional project which is in the interest of all partners. Next we give an overview of the competing regional initiatives which have been launched by Russia. We thus analyse the EU's Eastern Europe policy from a competition-cooperation dichotomy perspective, as competing regionalism in the shared neighbourhood increasingly defines the policies of the EU and Russia towards the region and also strongly influences their bilateral relations. In the last section we provide several interpretations of these competing regionalisms, using the conceptualization of regionalism provided in the introductory chapter to this book. We demonstrate that the pattern which emerges is not only reflecting the logic of

post-hegemonic 'new regionalism', but also mirrors new forms of expansionist and asymmetric regionalism.

1 The EU's European Neighbourhood Policy (ENP) and Eastern Partnership (EaP)

After the fall of the Iron Curtain and the collapse of the Soviet Union in 1989–1991, the European Community (from 1993 on the EU) adopted a dual approach towards the countries in the former Eastern bloc. Most attention and energy was devoted to the Central and Eastern countries and the three Baltic countries, which were all considered potential EU member states and which joined the EU in 2004/2007. In the same period, the EU was much less engaged with the other countries in the post-Soviet space. The EU used Partnership and Cooperation Agreements (PCA) as the main instrument of establishing bilateral relations with the 10 'Newly Independent States' (NIS), with these PCAs varying in scope and detail depending on the level of cooperation with the partner country. The PCA's stressed commitment to democracy, human rights and rule of law, and equally established a framework for regular political dialogue. This political dimension explains why the PCAs with the authoritarian regimes in Belarus and Turkmenistan were not ratified. In general, the EU's impact on the post-Soviet space was limited, which could also be explained by the domestic difficulties and conflicts in and between CIS states (for a detailed analysis of the EU's relations with the CIS, see Malfliet, Verpoest and Vinokurov, 2007).

The EU's enlargement with the Central and Eastern European countries in 2004 implied that the EU inevitably had to become more engaged in its relations with the countries that had emerged from the former Soviet Union, in the process 'avoiding new dividing lines in Europe and to promote stability and prosperity within and beyond the new borders of the Union' (European Commission, 2003). From then onwards the EU adopted a clear regional approach in dealing with its new neighbours, although it struggled to define which countries should be included in this regional initiative. On the threshold of the 2004 enlargement, the question was addressed in the Commission Communication 'Wider Europe – Neighbourhood: A New Framework for Relations with our Eastern and Southern Neighbours', which included Russia, the Western Newly Independent States and the Southern Mediterranean (European Commission, 2003). The Commission thus proposed a very wide regional approach, including not only the Eastern but also the Southern neighbours. Remarkably, this communication suggested the inclusion of the Russian Federation, while the countries of the Southern Caucasus were excluded due to their geographical location.

However, the geographical scope changed when the actual European Neighbourhood Policy (ENP) was launched in 2004 (European Commission, 2004b). In addition to the countries of the Southern Mediterranean neighbourhood and Eastern Europe (Belarus, Moldova and Ukraine), it now

included the countries in the South Caucasus (Armenia, Azerbaijan and Georgia). In view of its dictatorial regime, Belarus was part of the ENP on paper, but in reality it was excluded from the ENP activities. Emphasizing that it wanted to cooperate with the EU as an equal partner and not as an object of EU policy, Russia abstained from the ENP and opted for a bilateral framework to organize relations with the EU (see Figure 12.1).

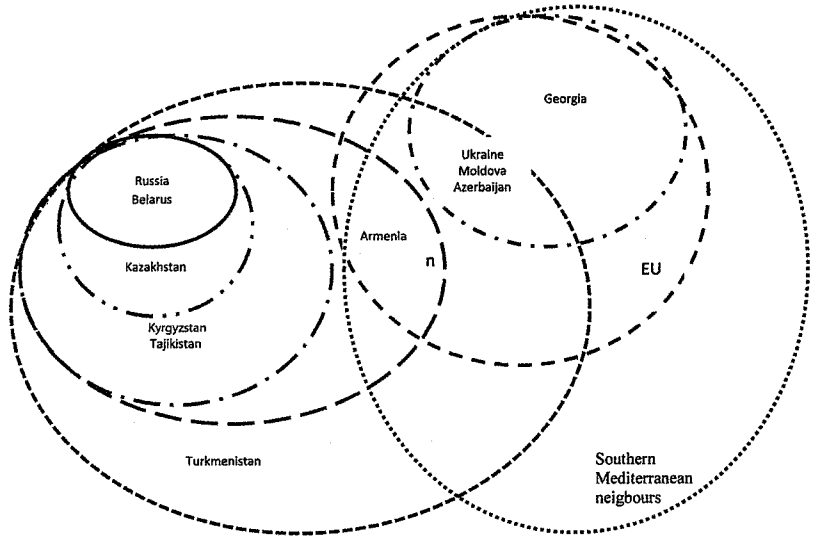

Figure 12.1 Competing regionalisms in the Eastern neighbourhood and the post-Soviet space

Notes:

1 European Neighbourhood Policy (Belarus is officially part of the ENP, but is not participating in the policy).

2 EaP (EU, Armenia, Azerbaijan, Georgia, Moldova, Ukraine; Belarus – formally member, de facto not participating).

3 CIS (Russia, Belarus, Kazakhstan, Kyrgyzstan, Tajikistan, Armenia, Ukraine, Azerbaijan, Moldova, Turkmenistan, Uzbekistan) (Turkmenistan is a CIS associate member; Ukraine has not ratified the CIS Charter, but participates in CIS activities unofficially).

4 Union State of Russia and Belarus.

5 Customs Union and Common Economic Space (Russia, Belarus, Kazakhstan).

6 EurAsEC (Russia, Belarus, Kazakhstan, Kyrgyzstan, Tajikistan).

7 CSTO (Russia, Belarus, Kazakhstan, Kyrgyzstan, Tajikistan, Armenia).

8 GUAM (Georgia, Ukraine, Azerbaijan, Moldova).

The mechanisms of ENP were largely based on the enlargement policy, replicating particularly in the early years the enlargement process in terms of discourse, principles, policy modes and tools, except for the institutional dimension and – most important – the final aim of EU membership (Delcour, 2007; Tulmets, 2005). Within the broad regional approach of the ENP, country-oriented Action Plans and Country Reports, complementing the existing PCAs, were used as the main policy instruments to provide policy coherence with all the partners while at the same time taking into account the differences. Through the ENP, the EU not only aimed to link the ENP countries more closely to the EU, but also aimed to promote and support reforms in this region. Political and institutional reforms were to strengthen democracy, good governance, rule of law and human rights. Economic reforms were aimed at economic modernization and liberalization, including the gradual integration of the ENP countries in the EU's internal market and participation in the EU's sectoral programmes and policies. The EU established a specific financial instrument to support the reform process in the region: the European Neighbourhood and Partnership Instrument (ENPI) (for a detailed analysis of the ENP, see Lannon, 2012; Whitman and Wolff, 2012).

The wider geostrategic context of the EU's enlargement and ENP and the way these were perceived in Russia can only be understood when taking into account that these coincided with and to some extent, indirectly, also incited mass protests and regime changes in two countries participating in the ENP: in Georgia in 2003 (the 'Rose Revolution') and Ukraine in 2004 (the 'Orange Revolution'). The revolts were directed against electoral fraud and the consolidation of autocratic regimes and against the general abuse of law, lack of freedom of speech and of respect of human rights, and all this in a context of a problematic economic situation. The regime changes in both countries resulted in a process of democratization and liberalization and in the adoption of a clear EU- and Western-oriented political and economic policy course, to the detriment of the traditional Russia-orientation of the preceding governments of these countries (see Beacháin and Polese, 2010).

The impact of the ENP on the reform process was very uneven, across countries, sectors and over time, with the policy only leading to 'patchy' and 'shallow' results (Börzel and Risse, 2012b). There was progress in some countries where the ENP Action Plans had also been made a point of reference in the domestic reform strategies, such as Moldova and initially also Ukraine. However, the general impact and relevance have been more limited in the other countries or even negligible such as in Belarus and Azerbaijan (see European Commission and High Representative of the Union for Foreign Affairs and Security Policy, 2012; Ghazaryan, 2012; Sasse, 2012; Niemann and de Wekker, 2010; Solonenko, 2012; Strelkov, 2010). The ENP has contributed to a norms transfer and expansion of EU rules in some policy sectors, such as environment, but this norm transfer has also been very uneven, with rule adoption not always being followed by the application of the rules (see Börzel and Risse, 2012a; Casier, 2011; Lavenex and Schimmelfennig, 2010). On the whole, the ENP has not resulted in the expected structural reforms and has failed to foster prosperity and stability in the EU's

neighbourhood. One of the reasons for the limited success of the ENP was that the EU did not offer the prospect of EU membership, which made the policy much weaker in comparison with the enlargement policy and its successful use of conditionality.

Recognizing the deficits of the neighbourhood policy, the EU made two attempts to strengthen its ENP, first in 2009 and then again in 2011–2012. The EU first aimed to strengthen the ENP by making it an umbrella policy for two new regional initiatives: the Eastern Partnership and the Union for the Mediterranean. This had to allow the EU to take into account the specificities of the two regions more. The launch of the Eastern Partnership (EaP), which included the same Eastern neighbouring countries, was accelerated by the 2008 Russian-Georgian war and Russian-Ukrainian gas crisis in 2009, which had made the EU realize that strengthening relations with these countries was important to counter the growing assertiveness and influence of Moscow in this region.

The main objective of the EaP was to strengthen political association and deepen economic integration (see Council of the EU, 2009; Korosteleva, 2011; 2013; Lannon and Van Elsuwege, 2012). The existing PCAs and Action Plans had to be replaced by Association Agreements with each partner country, comprising 'Deep and Comprehensive Free Trade Agreements' provisions (DCFTA). The EaP included a new commitment to common values, the promotion of citizens' mobility by visa facilitation agreements, strengthening energy security, and so on. Institutional innovations were the biennial EaP summits (such as the summit of November 2013), the creation of four thematic platforms (democracy, good governance and stability; economic integration and convergence with EU policies; energy security; and contacts between people) and the creation of the EURO-NEST Parliamentary Assembly and of the Civil Society Forum of the Eastern Partnership. Compared to the ENP, the EaP had contributed to a further institutionalization of the relations and to a closer cooperation in some fields, but had not fundamentally altered the terms of the debate and the nature of the relationship. The prospect of EU membership remained absent and questions were raised about the added value for the Eastern neighbours.

The 2011–2012 upgrade of the ENP (in the aftermath of the Arab spring) equally failed to fundamentally strengthen the effectiveness of this policy. New elements were introduced, such as the greater focus on 'deep democracy' and civil society, but these in fact emphasized even more the gap between the EU's objectives and the reality in the countries concerned. Through the introduction of the 'more for more' principle, the EU in fact strengthened the principle of conditionality, thereby increasing the differentiation among the countries within its regional approach. The EU expected internal reforms with regard to economic and political liberalization from the ENP countries, and the more and the faster a partner country progressed in its reforms, the more it could expect from the EU with regard to the so-called three 'M's: markets (access to the European market), mobility (visa facilitation or liberalization) and money (financial support) (High Representative of the Union for Foreign Affairs and Security Policy and European

Commission, 2011; European Commission and High Representative of the Union for Foreign Affairs and Security Policy, 2012). However, the enthusiasm was rather limited: both in most countries in the Eastern neighbourhood to pursue internal reforms and in the EU member states to grant concessions with regard to the three 'M's. Moreover, it was not clear whether the EU had in practice much more to offer than Russia and its new regional initiatives (see following section), particularly in view of the costs of adaptation that followed from the conditions dictated by the EU.

The latter also points to the perception that had been growing quickly: the ENP and EaP approach were based on the principles of partnership, common interests and joint ownership on paper, but practice proved to be quite different. It was the EU that in practice defined the terms of the debate and set the priorities and conditions, that expected unilateral legal approximation and political adaptation by the partners, that often left very little time and scope for the partners to reflect and react on the proposals submitted by the EU (such as on the texts of bilateral Action Plans), and that often had difficulties to take into account the partners' needs and internal dilemmas (see Korosteleva, 2011; 2013; Niemann and de Wekker, 2010).

It is too early to judge definitively the renewed ENP and the EaP, but their most fundamental flaw seems to be that they had not really led to a 'process of redefinition of regional identities in the wider-European space' (Simao, 2011) in the direction of what the EU had in mind. Worrying for the EU is that it has not even been successful in doing so in the two countries that initially seemed to be most EU-oriented. Illustrative of this was particularly the slacking of the democratization process in Ukraine and the difficulties in getting Ukraine to fulfil the political conditions to have the new Association Agreement signed by the EaP summit in 2013 (Balfour, 2012b; Casier, 2011; Solonenko, 2012). Moreover, the election of pro-Russian leaders in Ukraine in 2010 and Georgia in 2013 indicated that the population had also been disappointed about the policy of the preceding pro-EU-minded leaders and of the EU course in general.

The failure of the EaP summit in Vilnius late 2013 was therefore a wake-up call for the EU. The EU had hoped that Association Agreements and DCFTA's would have been signed with Ukraine and initialled with three more EaP countries (Armenia, Georgia and Moldova). However, only Moldova and Georgia initialled the Association Agreement and DCFTA during that summit, as the president of Ukraine refused to comply completely with the conditions set by the EU and announced suspending signing of the association agreement with the EU due to high losses in trade with Russia. Armenia had chosen to join the Customs Union and turned its back on an Association Agreement with the EU (reflecting too Armenia's dependency on Russia for its security). The result is that four of the six participating countries distanced themselves from the EU, including not only Belarus and Azerbaijan (as was expected) but also Ukraine and Armenia, leading to the need for the EU to reformulate its policy towards the region (Euractiv, 2013; Popescu, 2013).

2 The EU and Russia

Understanding the relations between Russia and the EU and the West in general in the late 1980s and the 1990s is of importance for a reflection on current events. First, one of the first ideas to create a pan-European space was the proposal of former Soviet leader Michael Gorbachev on a 'Common European Home', pronounced in 1989 at the Council of Europe in Strasbourg in 1989. This proposal was not taken seriously by the Western European countries, which indicated from the start that they were not really interested in the creation of a pan-European regional project in which Russia would be an equal and full-fledged partner (see Malcolm, 1989). Secondly, whereas Western influence was unprecedented in the first years of the new but weak Russian Federation's existence,[1] the EU was seen as largely neglecting Russia and the Russian interest and as providing only limited support for the new Russian Federation. The EU therefore missed the historic opportunity presented in the early 1990s of anchoring post-communist Russia more firmly into a process of wider European integration (Casier, 2007: 86). Third, in the negotiations with the EU in the late 1990s, Moscow had to accept the 'didactic, smug and often patronizing language of the PCA' and of the EU in general (Light, 2001: 20). Fourth, Russia not only had to deal with the EU but also with NATO, which had welcomed the former Eastern bloc countries as well as the three Baltic states as new members (see Seidelmann, 2007).

What is often overlooked in the EU is that through the EU's and NATO's enlargements to the East, through the ENP (and later on EaP) and through its support for the 'colour revolutions' in Georgia and Ukraine, the EU had cut swathes through Russia's traditional sphere of political and economic domination. From this perspective, Moscow's growing assertiveness and coercive behaviour could be considered a kind of counter-offensive to recover lost ground and avoid further chipping away at Russian influence in its immediate neighbourhood.

It is from this perspective that Russia rejected the EU's invitation to join the ENP, as the whole format of the ENP went against the idea of an equal partnership, which was particularly important for the new president Vladimir Putin who had gained power in 2000. In 2004, the EU and Russia launched a new framework for bilateral relations aiming at building four 'common spaces': a Common Economic Space, a Common Space of Freedom, Security and Justice, a Common Space of External Security, and a Common Space of Research and Education (complemented in 2005 with four corresponding 'road maps'). As progress in building these common spaces was very slow, both partners established in 2010 a Partnership for Modernization. Although the latter facilitated cooperation in some fields, it was unable to bring significant change due to the different visions of Russia and the EU on the nature of their partnership (see also Haukkala, 2010).

The EU and Russia in fact saw each other mainly as direct competitors in what Russia called its 'near abroad' and the EU its 'European neighbourhood'. Moscow adopted a more confrontational international posture, leading to more clashes with the EU and with countries that once belonged to its zone of influence but that

adopted a pro-Western course, while at the same time also strengthening relations with the other countries of the post-Soviet space.

3 Competing regionalism in Russia's 'near abroad'

Russia launched several regional initiatives which can be seen as what Libman and Vinokurov labelled holding-together integration (as opposed to coming-together integration): a 'regional integration scheme initiated by a group of countries which recently belonged to a single political and economic entity (a unitary state or a colonial empire) and which exhibit high levels of economic, political and cultural interdependency' (Libman and Vinokurov, 2012: 12). However, increasingly, these regional projects also had to counter the EU's regional initiatives, leading to what Casier has called a 'clash of integration processes' (Casier, 2007) (see also Freire and Kanet, 2012; Gower and Timmins, 2011).

Throughout the two decades after the dissolution of the Soviet Union, Russia has made a lot of efforts to reintegrate the post-Soviet space, building on the centrifugal powers in the post-Soviet space which resulted from the common historical legacy, the geographic proximity and the dependency of the smaller countries on Russia. In the period between 1991 and 2010, 36 regional organizations were established in the post-Soviet space, making the area one of the most active places in terms of regional integration. At the same time, the great majority of the emerging organizations have failed to realize their potential, only a few of them managed to bring tangible results going further than declaring intentions (Wirminghaus, 2012: 25).

The first regional organization in the post-Soviet space was the Commonwealth of Independent States (CIS), created in December 1991 following the dissolution of the Soviet Union and including nearly all the former Soviet republics (except for the Baltic states and Georgia, with the latter joining only in 1993 and withdrawing again in 2008). The CIS was largely seen as an institution guaranteeing 'civilized divorce', aimed at discussing the common problems of the transition and fostering cooperation in a broad range of spheres. In 1993, the CIS member states signed the agreement on Economic Union, which aimed at the creation of a common economic space, reflecting a quite ambitious agenda in the first years after the dissolution of the USSR. This agreement, however, has never been implemented. The inability to reintegrate the post-Soviet space within the CIS as well as failures to implement many of the agreed projects is often seen as evidence of the failure of the institution as such. At the same time, the Commonwealth managed to provide some positive results, among them a visa-free regime between member states, mutual recognition of documents, continuous political dialogue and the peaceful dissolution of the Union, which shouldn't be taken for granted (see Vinokurov, 2007).

Failure of more far-reaching integration within the broad framework of the CIS led to initiatives including a more limited number of CIS member states

opting for more cooperation or integration in the field of security and economy. Together, this resulted in a network of partially overlapping regional organizations which both compete and complement each other, with a changing pattern of membership, activities and impact (see Figure 12.1). These regional initiatives also included countries from Central Asia (Kazakhstan, Kyrgyzstan, Uzbekistan, Tajikistan and Turkmenistan), which were excluded from the EU's regional initiatives (see Bossuyt and Kubicek, 2011; Kavalski, 2012). In the remainder of this section we give a short overview of some of these cases of regionalism in the post-Soviet area, including some more detailed information on the institutional framework of the recently established Customs Union and project for an Eurasian (Economic) Union.

In the field of security, a Collective Security Treaty (CST) was signed by Armenia, Kazakhstan, Kyrgyzstan, Russian Federation, Tajikistan and Uzbekistan in 1992 and later on by Azerbaijan, Georgia and Belarus (1993). On the basis of the CST, the Collective Security Treaty Organization was established in 2002 (with membership of Armenia, Belarus, Kazakhstan, Kyrgyzstan, Russia and Tajikistan). While the first period between 1993 and 2002 mainly concentrated on rhetoric (Collins, 2009), the level of cooperation was reinforced from 2002, aiming at the integration of the member states' military forces. In addition to traditional military cooperation (including joint training of troops), it pays attention to new security challenges such as drug trafficking (Nikitin, 2007). A competing (security as well as political) regional organization is GUAM (Georgia, Ukraine, Azerbaijan and Moldova), which was established by these four states in 1997 (Uzbekistan joined in 1999 but withdrew its membership in 2005). In 2006 the status of the organization was upgraded and it received the name GUAM Organization for Democracy and Economic Development. It was created to counterbalance Russian influence on these countries and to unite those countries targeting at closer integration with the EU (see Kinne, 2013).

Failure of economic integration within the framework of the CIS led to several other projects. An agreement on a Customs Union consisting of Russia, Belarus, Kazakhstan was signed in 1995, followed by a Single Economic Space agreement signed in 1999 and comprising Belarus, Kazakhstan, Kyrgyzstan, Russia and Tajikistan. In order to enhance regional integration, the same countries in 2000 established the Eurasian Economic Community (EurAsEC). During its long history, a substantial legal basis was worked out in EurAsEC and a number of institutions established. In actual terms, little was done in the implementation of the legislation and the progress towards real economic cooperation was very slow until the late 2000s, when the renewed Customs Union became functional (see below) (Collins, 2009).

In the mid-1990s, a more far-reaching integration initiative was launched by Russia and Belarus. The idea of uniting both countries into a single Union had existed since the collapse of the Soviet Union. The Union State of Russia and Belarus was formally created in 1996, followed by several agreements in order to further enhance and shape the Union. The project was supposed not simply to

promote deeper bilateral cooperation, but to put forward a model of comprehensive cooperation between Russia and the former Soviet Union republics. The project failed in a number of key issues such as the emission of a single currency, but proved successful with regard to the establishment and functioning of a common external tariff and the development of common customs infrastructure. This facilitated the integration in the framework of the Customs Union of Russia, Belarus and Kazakhstan which was revived in 2010 (Danilovich, 2006: 163; Shumsky, 2012).

Based on the experience of earlier organizations, Russia, Belarus and Kazakhstan in 2010 re-established their Customs Union (CU), followed two years later by the creation of the Common Economic Space (CES), which has become a breakthrough in the aforementioned series of attempts to create a functioning regional economic organization. In comparison to previous integration projects, it has a number of strengths and 'appears more viable because of its better institutional framework, proven commitment to implementation and introduction of a system of rules harmonised with international norms and the WTO regime' (Dragneva and Wolczuk, 2012; see also EBRD, 2012: 78). The three countries decided to go one step further and late 2011 signed the Declaration on Eurasian Economic Integration, which puts forward the aim of establishing a Eurasian Economic Union by 2015. For Russia, the final goal of these regional projects is the creation of a EU-type Eurasian Union, as was emphasized by then Prime Minister Putin (2011). It should include a wider number of former Soviet republics, with Kyrgyzstan and Tajikistan already being candidates to join the Eurasian Economic Union. Furthermore, for Russia, the Eurasian Union will allow its members to

> preserve the historical identity of Eurasia in the new century and the new world. Eurasian integration is the chance for the post-Soviet space to become an independent centre of global development, not a periphery of Europe or Asia. (Putin, 2013)

Therefore, Russia projects its foreign policy assertiveness and understandable 'obsession with the equal partner status' (Ghebali, 2005) to the entire regional integration organization, with the aim of regaining Russia's great power status being linked to the reaffirmation of their own identity in the near abroad (see Laenen, 2012). However, while for Russia it is mainly a political project, for Belarus, Kazakhstan and other interested countries it is merely or mainly an economic project. At the same time, given the fact that the Eurasian Union project is the foreign policy priority of the Russian government, a lot of resources will be invested into this project. The Eurasian Economic Union indeed remains open for the other states of post-Soviet space, with Kyrgyzstan and Tajikistan having expressed their interest to join. The association process also started with Armenia in September 2013.

The Eurasian integration utilizes the experience of the European integration process, which can be seen partially in its institutional structure. Since the beginning of the 2010s, the partners move towards the creation of a single treaty:

the legal bases of EurAsEC, CU and CES are planned to be incorporated in the single Treaty on the Eurasian Economic Union by 2015. The institutional structure combines intergovernmental and supranational features, with the Supreme Eurasian Economic Council as the highest intergovernmental body and the Eurasian Economic Commission and EurAsEC Court as semi-supranational institutions.

At first sight, these institutions indeed resemble to some extent those of the EU. The Supreme Eurasian Economic Council meets at least once a year at the level of heads of states and at least twice a year at the level of heads of governments. It carries out general political guidance with the decisions being taken by consensus. The Eurasian Economic Commission (EEC) is the main operational body. Operational since 2012, its main aim is the provision of the conditions for the functioning of the CU and the CES and the development of initiatives for enhancing regional integration. Its competences include customs tariff and non-tariff regulation, customs administration, establishment of trade regimes with third countries, macroeconomic policy and transportation policy (Eurasian Economic Commission, 2011[2]).

The EEC consists of two bodies. The 'Council of the Commission' includes three deputy prime ministers, from Russia, Belarus and Kazakhstan. Every member has one voice, decisions are taken by consensus, and the Presidency of the Council rotates annually. The 'Board of the Commission' is the executive body of the Commission and meets on a weekly basis. It is composed of three members from each participating country (four-year terms in office), with the chairman being appointed by the Supreme Eurasian Economic Council from the members of the Board. It manages the work of the nine Departments of the Commission: Development of Integration and Macroeconomics, Technical Regulations, Economics and Financial Policies, Customs Cooperation, Trade, Industry and Agro-industrial Sector, Energy and Infrastructure, Competition and Anti-trust Regulation.

In comparison with the European Commission, the EEC is focused more on executive functions, while at the same time the mechanisms of implementation are weaker. Furthermore, the functions of the EEC are restricted in a number of important areas: for instance, it has no budgetary powers and cannot represent the Customs Union in trade negotiations with third countries (Blockmans, Kostanyan and Vorobiov, 2012). Nevertheless, the policy fields covered by the nine above-mentioned departments point to the wide range of cooperation and integration that is pursued.

4 'New regionalism' or expansionist and asymmetrical regionalism?

Linking the analysis of EU-steered and Russia-steered forms of regionalism with the conceptualization provided in Mario Telò's introductory chapter leads to some remarkable considerations about the nature of regionalism in the post-Soviet space.

A first observation is related to the main theme of this volume: the emergence of 'new regionalism', reflecting a post-hegemonic context in which regionalism is no longer the result of regional power politics but in which there is no overarching global governance system. As neither a hegemonic power nor global governance structures are able to provide public goods and assure stability and order, 'new regionalism' answers to a mainly economic functionality. This 'new regionalism' is contrasting with what can be labelled 'old regionalism': regionalism which reflected post-war (American) hegemony and Western dominated multilateralism and in which economic regionalism such as the European Economic Community was compatible with and re-enforced this America-centred hegemonic dominance.

Compared with other cases of regionalism in this volume, what appears from the analysis in this chapter is that the EU-led and Russia-led regionalisms in the post-Soviet space point to a mix of 'new (post-hegemonic) regionalism' and 'old (hegemonic) regionalism'. Regional initiatives launched by the EU, such as the ENP and EaP, answer to a clear economic functionality by providing economic rules to Eastern neighbours while also offering a useful regulatory and institutional framework in the absence of a relevant and credible global governance system. The regional initiatives launched by Russia, such as the Customs Union and the Common Economic Space, reflect a functional logic too as they are based on economic dependencies. Nevertheless, in addition to this 'new regionalism' logic, an expansionist and asymmetrical regionalist logic also appears from the ENP and EaP as well as from the Customs Union, the Common Economic Space and the Eurasian Union project. Both Brussels and Moscow manifest themselves as (competing) powers which attempt to expand their own influence and counter the expansion of influence of the other. Both do not shy away from the use of strong conditionality and the use of sanctions and coercion (in the case of Russia also military coercion). And both are blamed in the third countries concerned for insufficiently taking into account the interests of these individual countries – despite the use of the friendly, equality-suggesting discourse about 'partnership' or 'union'.

Reflecting two major features of 'hegemonic stability' which existed after 1944 (see Telò's introductory chapter), the EU also uses the ENP and EaP in function of the economic and geopolitical expansion of the Western world and of the political goal of containment of Russia. And, vice versa, Russia uses the various regional initiatives to counter this economic and geopolitical expansion and to recover lost terrain. What we thus do not see – in contrast to expectations after the fall of the Iron Curtain and Soviet regime – is the end of the main political divisions and previous blocs of alliances. Taken together, this explains why it is not possible, despite the economic functional logic of new regionalism, to speak about bottom-up new regionalism in the post-Soviet space.

A second observation is that both the EU and Russia use regional initiatives as an instrument of their structural foreign policy, aimed at influencing or determining the rules of the games that will be followed in the countries in the region. What is at stake is the shaping of the economic, political, legal, security, ideational and societal structures in the region, with both sides promoting structures that mirror the structures within their own territory (Keukeleire, 2003; Keukeleire and Delreux, 2014; Telò, 2007). However, regionalism is not only a device within a wider structural foreign policy of Brussels or Moscow. It is also used by the smaller partner countries as a way to protect models of economic, political, societal and cultural organization and counter the unwelcome influence of the non-preferred regional power.

Thirdly, the analysis confirms that the territorial dimension matters more than might be expected, as was also emphasized in the introductory chapter. The re-emerging geographical or territorial dimension of political and economic regulation and of external relations indeed proves to be regional. And in a variation on the claim that regionalism makes the partial rescue of the nation-state easier (see Milward, 1992), we claim that regionalism also facilitates the partial rescue or development of hegemonic authority. Regionalism is used by Russia to defend or reclaim part of its old zone of influence and to counter the expansion of the EU's zone of influence. Interestingly, for the EU the territorial dimension of regionalism plays in two, on the first view contradictory, directions: it is instrumental to expand the EU's influence beyond its own borders and to assure at the same time that the EU does not have to welcome new Eastern European members within its existing borders.

Fourthly, the re-emergence of the old sphere-of-influence-styled logics and the remaining relevance of the territorial dimension of regionalism is the logical consequence of the inability of Brussels and Moscow to shape their bilateral relations in a mutually beneficial way. The result is the competition of regionalisms and increased costs of exclusion. The latter is linked to another observation made in this book's introductory chapter: regionalism can lead to more inclusion, but also to more exclusion, depending on the extent to which regionalism is defined and operationalized as exclusive or incompatible with other regionalisms – which is clearly the case in the post-Soviet space. This was also emphasized by both the EU and Russia in their tough competition in late 2013 to get Ukraine to sign/not sign, respectively, the Association Agreement as part of the EU's regional project.

However, in view of the multi-vector foreign policy orientation of various countries in the post-Soviet space, of their 20-year long experience of balancing between several powers (Russia, the US and the EU), and of their reluctance to make a clear choice, the EU and Russia may only become effective in their policy towards their (un)common neighbourhood, if they can transform their approach to regionalism from a zero-sum game to a positive-sum game, implying that they no longer force countries to choose between Brussels and Moscow. This entails that the success of the EU's regionalism is narrowly linked to the EU's ability to redefine its relationship with Russia in a more positive sense.

Fifthly, the introductory chapter points to endogenous and exogenous factors to explain both the creation and the flourishing of regional organizations and to both domestic and systemic causes of new regionalism. When looking at the individual cases of Ukraine, Georgia, Belarus, Moldova and others. it seems that

this domestic factor is important to explain the position and in some cases also the changes in position of these countries. When looking at the exogenous factors, the systemic causes of new regionalism (such as providing protection against globalization) play a less important role, whereas the nature of the relationship between the participating countries and the dominant actor (Brussels or Moscow) is more influential.

The nature of this relationship has both a material and immaterial, rational and ideational dimension. Regionalism can be based on rational choices and clear material interests, which reflect existing (inter)dependencies and which follow logically from geographic proximity. Regional arrangements can indeed provide clear advantages, including through protectionism and through increasing trade flows. However, the experience with the ENP demonstrates that large-scale regional arrangements with a large number of economically unequal partners can provoke an asymmetrical internal redistribution of benefits and can negatively affect the economic situation of the partner countries and the welfare of the population. The latter is often neglected by the EU, which in general tends to disregard the social dimension of its external policies, including the ENP (see Martin, 2012: 246). Moreover, the EU has the disadvantage that the positive effects of the regional arrangements are sometimes only visible in the long term, while Russia can have a real impact on the countries concerned in the short term, including through the supply (or non-supply) of gas or oil. Russia can also affect the security situation of the countries concerned in a positive or negative way – a leverage the EU does not have.

At least as important to explain regionalism is the immaterial or ideational dimension: issues of collective identity, of a common belonging and of a shared view on a model of political, societal, economic and cultural organization that has to be defended or promoted – and where the negative influence of the competing power has to be countered. This is related to what Higgott in his chapter in this volume labels 'cognitive regionalism', which is built on 'shared cultural, historical and emotional affiliations' which distinguish 'insiders' from 'outsiders'. Dividing lines exist not only between countries but also within the countries and populations concerned (such as in Ukraine), with the preference for EU- or Russia-steered regionalism moreover fluctuating over time – and depending on the capacity of Brussels or Moscow to 'deliver' and fulfil expectations.

Conclusions

Through the ENP and the Eastern Partnership, the EU strengthened pan-European regionalism with the main goal of integrating the countries in the post-Soviet space as much as possible within its own economic and normative framework, but without offering them the immediate prospect of EU membership. In other words: strengthening European regionalism through the ENP and EaP was for the EU equally an instrument for avoiding these countries becoming fully part

of Europe's most successful project in terms of regionalism: the EU itself. This paradox explains some of the limitations of the ENP and EaP, particularly as full membership was what some of the Eastern partners were initially aiming for.

Moreover, the EU failed completely in including Russia in its pan-European regional initiatives, with Moscow perceiving the EU-sponsored pan-European regionalism of the ENP and EaP as intruding in what it considered its natural zone of influence. The various regional initiatives launched by Russia therefore not only are reflecting 'holding-together' integration but also have the objective of countering the regional initiatives of the EU. The re-established Customs Union and Common Economic Space and Russia's wider ambition to establish a Eurasian (Economic) Union are part of this dynamic.

The conclusion of this chapter is that regionalism on the European continent not only reflects the logic of post-hegemonic 'new regionalism' (in the sense of post-US hegemony), but also mirrors new expansionist and asymmetric logics. The question which arises in this context is whether this is also the case in other parts of the world. The analysis in other chapters of this book about the nature of regional organizations outside Europe points to the predominance, for the time being, of 'new post-hegemonic (US hegemony) regionalism'. However, the intensifying competition between the US and China in the Asia-Pacific region, the rise of various forms of regionalism and emerging power alliances in that region, and the attempts of China and the US to use regional settings and agreements not only to strengthen their economic interests but also their geostrategic position, may point in a different direction. A strengthened entanglement between 'new (post-hegemonic) regionalism' and expansionist and asymmetric regional logics may then increasingly reflect not only the situation on the Eurasian continent but also on other continents (see Christiansen et al., 2013; Keukeleire and Hooijmaaijers, 2014).

Notes

1 The Russian Federation was the legal successor of the USSR. Its former status of the Russian Empire and the largest Soviet republic left a mark on the foreign policy orientations of the new state (great power status), which not only is expressed by the elites, but is also supported by the population and is argued to be an important part of Russian identity.

2 Available in Russian: http://www.pravo.by/main.aspx?guid=3871&p0=F01100212 (accessed 2 November 2013).